

Graph 1

Total Access Revenue for Price Cap Carriers *

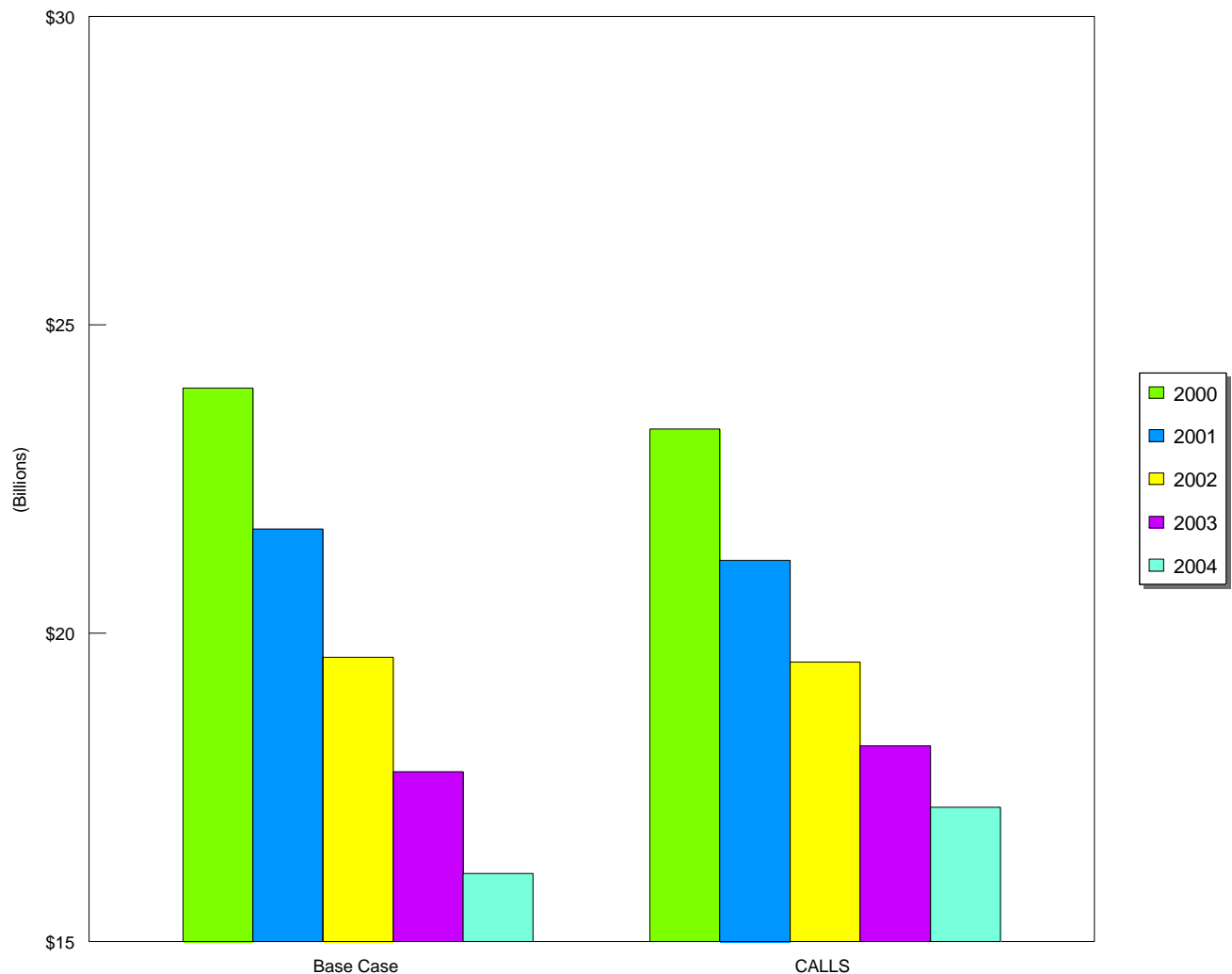
Graph 1

Discounted Present Values **

	July 2000 to June 2001 (billions)	July 2001 to June 2002 (billions)	July 2002 to June 2003 (billions)	July 2003 to June 2004 (billions)	July 2004 to June 2005 (billions)	Total Present Value
Base Case	\$24.0	\$21.7	\$19.6	\$17.8	\$16.1	\$99.1
CALLS	\$23.3	\$21.2	\$19.5	\$18.2	\$17.2	\$99.4

* CALLS reflects the most recent plan submitted by the CALLS Coalition. The CALLS totals include the proposed Access-USF payments, at \$650 million per year. Base Case reflects existing rules and assumes that the X factor remains at 6.5% and is not targeted. In both plans, flowback is removed on July 1, 2000 and elasticity of demand effects are included. All figures assume that no LEC qualifies for exogenous rate increases that can occur when the interstate rate of return falls below 10.25%.

** Figures shown discounted to July 1, 2000 with an annual discount rate of 11.25%.



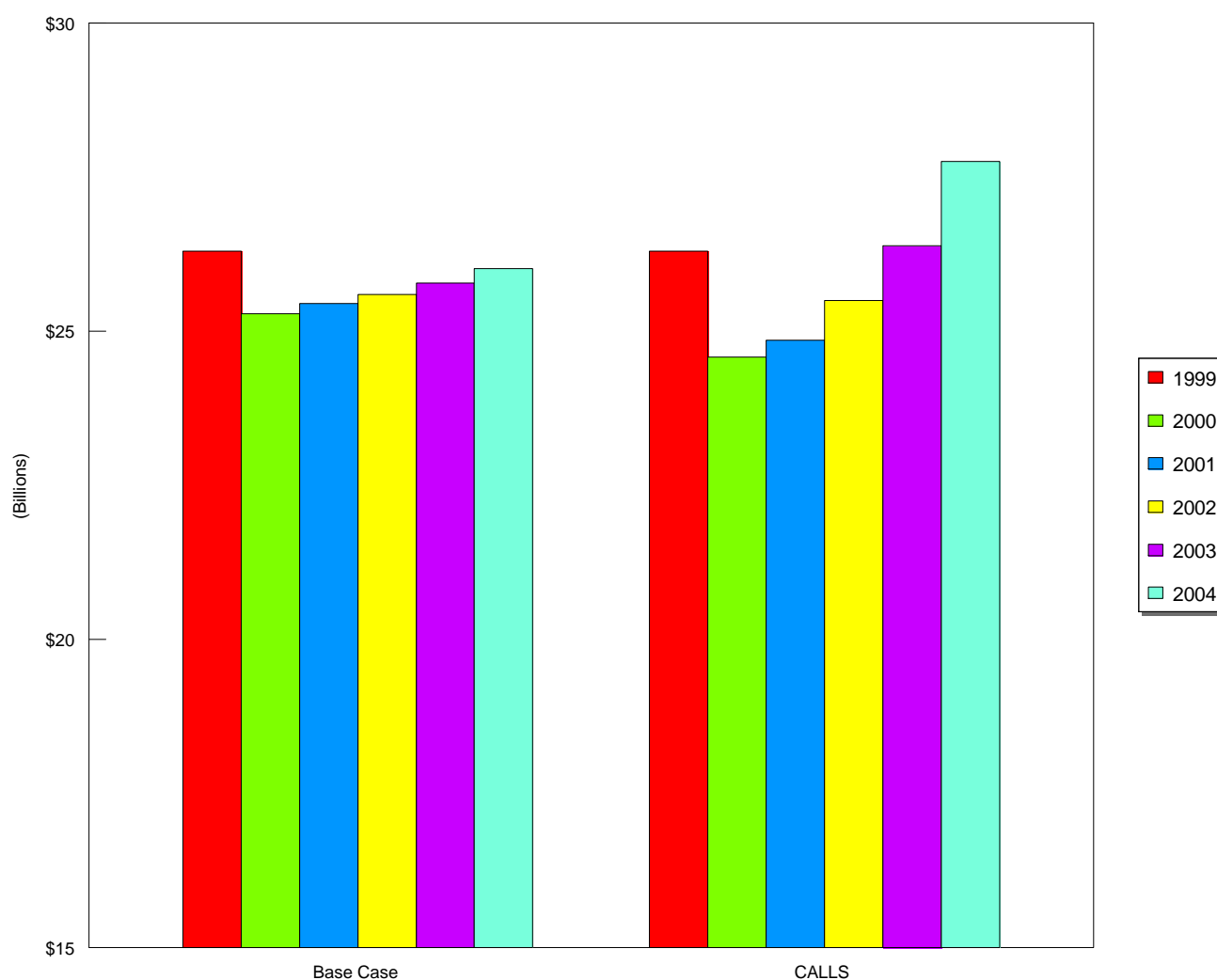
Graph 2

Total Access Revenue for Price Cap Carriers

Graph 2

July 1999 to June 2000 (billions) \$26.3	July 2000 to June 2001 (billions)	July 2001 to June 2002 (billions)	July 2002 to June 2003 (billions)	July 2003 to June 2004 (billions)	July 2004 to June 2005 (billions)	Total
Base Case	\$25.3	\$25.4	\$25.6	\$25.8	\$26.0	\$128.1
CALLS	\$24.6	\$24.8	\$25.5	\$26.4	\$27.7	\$129.1

* CALLS reflects the most recent plan submitted by the CALLS Coalition. The CALLS totals include the proposed Access-USF payments, at \$650 million per year. Base Case reflects existing rules and assumes that the X factor remains at 6.5% and is not targeted. In both plans, flowback is removed on July 1, 2000 and elasticity of demand effects are included. All figures assume that no LEC qualifies for exogenous rate increases that can occur when the interstate rate of return falls below 10.25%.



Graph 3

Toll Prices Per Minute * for Residential Customers

Graph 3

Plan	July 1999 \$0.172	July 2000	July 2001	July 2002	July 2003	July 2004
Base Case		\$0.165	\$0.156	\$0.148	\$0.141	\$0.134
CALLS		\$0.163	\$0.152	\$0.143	\$0.136	\$0.130

* The amounts shown represent average revenue per minute, including all IXC charges except PICC pass-through and USF surcharges.

